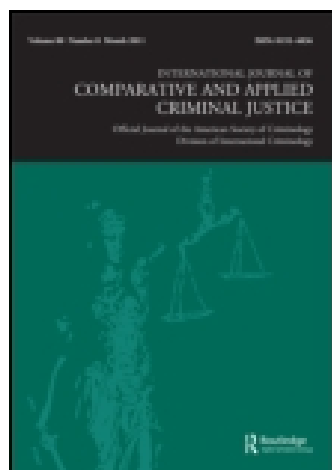


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### The media's portrayal of product counterfeiting and financial crimes

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## The media's portrayal of product counterfeiting and financial crimes

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Although there is a large body of research examining how crime and criminal justice issues are presented in the news, there is no research examining the media construction of product counterfeiting and little research on financial crimes in the media. The current study fills this gap by comparing the representation of financial crimes and product counterfeiting in the news media. This study consists of a news media content analysis of the *New York Times* and the *Wall Street Journal* from 2000 to 2009. Data were analyzed to identify common patterns across three types of fraud: product counterfeiting, corporate fraud, and tax fraud. The results indicate differences across the three crime types in the types of sources and how these sources are used in the articles. The paper concludes with implications for better understanding how product counterfeiting and financial crimes are portrayed as a social problem.

**Keywords:** media; product counterfeiting; financial crime; corporate fraud; tax fraud

### Introduction

The last decade has seen an overwhelming number of financial crimes of tremendous scale and impact. Although no serious empirical attempt has been made that can offer a definitive and credible estimate of the costs stemming from financial crimes (Levi, 2010), scholars have noted the damage is much greater than conventional street crimes (Geis, 2007; Reiman, 2004). Conservative estimates from a review of studies of financial crime in Britain place total losses from financial crimes at a minimum of £12.9 billion, not including tax fraud or intellectual property crimes (Levi & Burrows, 2008). Information in the United States is much harder to come by, as no systematic data collection currently exists (Levi, 2010), but for fiscal year 2009, the Federal Bureau of Investigation (FBI) reported 5960 total pending cases of mortgage, health care, securities/commodities, and corporate fraud alone, resulting in a total of \$18.3 billion in ordered restitution (Federal Bureau of Investigation, 2009).

An emerging type of crime related to financial crime that has received increased attention due to its widespread impact is product counterfeiting. Estimates of the global trade in counterfeit products have been upwards of \$600 billion (International AntiCounterfeiting Coalition, 2011). The counterfeit drug industry is thought to be valued at \$39 billion, totaling 11% of the total trade in pharmaceuticals (Yankus, 2006). Over half of the purchases of counterfeit products are made over the Internet through illegal sites, making the tracking and interception of manufacturing and distribution chains very challenging

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(World Health Organization, 2010). The profitability of counterfeiting as a criminal activity is seemingly limitless, as demand for products can be filled by any number of diverse counterfeit operations (Fenoff & Wilson, 2009).

While these estimates should be viewed with skepticism due to the limits of current data and the bias of agency-centered concerns, they effectively convey the harms and challenges poised by emerging financial and product counterfeiting crimes. Financial crime and product counterfeiting are related by the fraudulent activity involved in harming consumers, investors, businesses, and taxpayers. These crimes are also unique in the lack of focus given to them among studies of the media and crime. While there is a large body of literature examining the media construction of crime in general, there has been comparatively little research on how financial crimes are presented in the news, and no research examining the media construction of product counterfeiting. This is a notable oversight due to the pervasiveness and harm resulting from these types of crime (Geis, 2007). The construction of these crimes in the media is likely to have a tremendous influence on public perceptions (Chermak, 1995; Folkerts, Lacy, & Larabee, 2007; Lee, 1990). While the media may not influence directly how people think, they are particularly influential in determining what people think *about* (McCombs & Shaw, 1972). Organizations can use the influential agenda-setting position of the news media to determine what the public focuses on, and ultimately what the position of the public will be (Cook *et al.*, 1983; McCombs & Shaw, 1972). This central role of the media makes it a crucial area of inquiry to understand how the media constructs news content related to these crimes.

We present the results of an analysis of newspaper content related to product counterfeiting and two financial crimes: corporate fraud and tax fraud. A mixed methods content analysis design is used to develop explanations for how financial and product counterfeiting crimes are portrayed in two major American newspaper outlets. We explore differences in how reporters use sources across crime type, concluding with the implications of the study.

## Media and crime

The existing research in this area is presented in two sections. The first section discusses the presentation of financial crimes in the media, focusing on the similarities and differences between the coverage of white-collar and traditional street crimes. The second section extends research on white-collar crime in the media to product counterfeiting.

### *Media and financial crime*

Financial crimes have inherently unique complexities that are relatively removed from the direct observation of the general public. This places the media in a crucial role for serving as a social control mechanism over financial crime (Punch, 1996). However, studies of media and crime have paid scarce attention to financial crime (Stephenson-Burton, 1996). While the media specialize in highlighting and sensationalizing street crimes, they are notoriously inept at covering highly complex financial crimes, many of which manifest themselves in large, secretive corporations (Cavender, Gray, & Miller, 2010; Nichols, 1997; Nichols & Nolan, 2004; Rosoff, 2007).

Financial crime tends to be treated differently by the media than traditional street crimes. As opposed to street criminals who are portrayed in a negative, pathological manner, white-collar criminals are treated with some level of respect for their devious behavior, and are flowered with “legal-ese” and “business-ese” language to describe their offenses

(Stephenson-Burton, 1996). The media tend to label crime narrowly to reflect only street crimes, following a “collective ignorance” on the part of social institutions that fail to define business and state misconduct as criminal (Box, 1983; Jewkes, 2004). The business media in particular play a tremendous role in shaping the broader understanding of financial crimes in the general public, arguing for solutions based on free-market capitalism and limited government intervention (Williams, 2008). In regards to the coverage of business crime, the costs tend to be underestimated (Reiman, 2004), corporate responsibility and liability are minimized (Wright, Cullen, & Blankenship, 1995), individuals are blamed as opposed to organizations (Cavender & Mulcahy, 1998; Randall, 1987; Randall, Lee-Sammons, & Hagner, 1988), recognizable, celebrated cases receive the majority of attention at the expense of an analysis of societal problems (Cavender *et al.*, 2010; Levi, 2001, 2008), and reporters are more reluctant to use the term “crime” to describe the incidents in comparison to street crimes (Box, 1983; Lynch, Nalla, & Miller, 1989; Wright *et al.*, 1995).

Financial crimes tend to be reported in a highly selective fashion, with newspapers hesitant to cover these highly complex crimes in great depth. Even when these crimes are covered, it is usually not until a scandal has already run its course and is on the down-fall. Much of what is publicized consists of rhetoric promoting a “law and order” response aimed at reinforcing dominant stereotypes about crime (Chibnall, 1977) and facilitating new regulations that follow a “get tough” philosophy (Snider, 2008). Much of this coverage focuses on the mystique of the offender instead of harms to victims, especially when elite offenders are involved (Levi & Pithouse, 1992). These financial scandals are often constructed as “landmark narratives,” where new social problems are created and used to justify official actions and policy responses (Nichols, 1997; Nichols & Nolan, 2004).

The majority of financial crime research focuses on aspects of these crimes other than media representation, and analyses tend to be mostly commentary, not empirical. Much of what is written about the representation of white-collar crime in the media is speculative and opinion-based, while little research has been done that can hold up to empirical rigor (Stephenson-Burton, 1996). Most research into financial crimes tends to focus on highly publicized and sensationalized scandals such as Enron (Cavender *et al.*, 2010; Knottnerus, Ulsperger, Cummins, & Osteen, 2006; Rosoff, 2007; Williams, 2008), while more generalized studies of the construction of financial fraud in the media are currently lacking. The goal of this study is to address this inconsistency by focusing on the prevalence of financial crime in the news media.

### ***Media and product counterfeiting***

The importance of the examination of product counterfeiting in the media centers on the increasing recognition of the crime and the lack of empirical research in the area. Although no studies to date have examined product counterfeiting in the media, other areas of the media and crime literature can be transferred to these unique crimes. Although writing specifically of currency counterfeiting, Katz (1987) discussed the newsworthiness of counterfeiting due to the impact on the economy and social institutions by undermining the integrity and the trust systems used by citizens. Counterfeiting that threatens the collective identity and health of the community are prime candidates to be covered by the news (Katz, 1987). This is representative of a fundamental question for product counterfeiting: what happens if consumers cannot trust the basic products purchased at commercial businesses? However, when it comes to crimes where organizations are implicated in the creation of social harm, news coverage can actually minimize the true nature of the crimes (Reiman, 2004; Wright *et al.*, 1995). Companies involved in product counterfeiting

are likely to receive similar treatment in news stories, although the coverage of product counterfeiting may be fundamentally different than financial crimes because companies are more likely to be perceived as victims. Product counterfeiting involves losses due to the theft of intellectual property from businesses, so the harm is likely to center on the company itself and not potential users of counterfeit products.

Sources for product counterfeiting stories are likely to be different from other types of crime. Information is likely to come from official sources in street crime stories, particularly law enforcement organizations (Brown, Bybee, Wearden, & Straughan, 1987; Chermak, 1995, 1997; Ericson, Baranek, & Chan, 1987, 1989, 1991; Fishman, 1980, 1981; Gans, 1979). Some studies have shown that over half of the sources cited in crime stories are from the various branches and levels of government (Chermak, 1995; Sigal, 1973). This is important for considering the construction of product counterfeiting in the media, as "social control agents are motivated to participate as news sources to transmit their beliefs and values, and also to legitimize themselves with the public" (Chermak, 1997, p. 688). Other potential sources for product counterfeiting include specific businesses and industries directly affected by the piracy of their products. These complex interactions between crime, the media, agents of social control (criminal justice and regulatory agencies), and business/industry executives are important areas of study.

### *Current study*

In order to illustrate the media construction of these crimes, we examine product counterfeiting and financial crime articles using content analysis. Similar research consists of either a general search of newspaper content for all crime news under certain time parameters and coding criteria (Chermak, 1995; Graber, 1980), or specific searches for a certain type of crime (see Fishman, 1978; Randall, 1987; Randall *et al.*, 1988). We utilize the latter approach to compare across these crimes, providing an opportunity to better understand two areas that have been relatively ignored in criminological study compared to street crimes. Both of these crimes are characterized by fraud, which is a growing and persistent problem in criminal justice. They are widely diverse, with a multitude of impacts on both organizations and individuals. Product counterfeiting results in heavy losses due to the fraudulent reproduction of intellectual property, while financial crimes involve fraudulent misrepresentation of financial instruments at great loss to consumers, investors, businesses, and taxpayers.

Differences and similarities in the use of sources can illuminate the priorities reporters have given to both types of crime in the news. Stories are developed through the bureaucratic and economic goals of the news organization, where routines emerge to facilitate the efficient use of available time and resources to construct news (Chermak, 1997; Ericson *et al.*, 1987, 1989, 1991; Gans, 2003; Kollmeyer, 2004). In order to accomplish these goals, it is worthwhile for reporters to utilize sources close to the actual events (Chibnall, 1977; Fishman, 1980; Tuchman, 1978) to obtain information about socially significant and deviant activities to be used in the construction of newsworthy stories (Shoemaker & Cohen, 2006; Shoemaker & Reese, 1996). Product counterfeiting and financial crime stories rely on official stories, although to different extents. The use of sources for these crimes is also distinctly unique from street crime due to their direct impact on consumers, businesses, investors, and taxpayers. This is important for understanding the framing of these crimes because reporters relying on these sources are not as likely to question their accounts of the events (Chermak, 1997; Fishman, 1980). Furthermore, these sources are motivated by the desire to influence the presentation of the stories about crime in order

to serve the interests of their organizations (Chermak, 1997). Thus, news sources are an important variable through which to examine the construction of crime stories.

## Methods

To better understand how product counterfeiting and financial crimes are presented in the media, we conducted a detailed and systematic content analysis of newspaper content referencing product counterfeiting and financial crimes. This section outlines the methodology used in the current study, including the sample selection and data collection, coding, and analysis.

### *Sample selection and data collection*

We utilized a multi-stage, purposive sampling strategy. This provided a manageable number of relevant articles while ensuring only articles relevant to our research question were included in the sample. All cases had to be related to the United States, either originating in the US or affecting US citizens, companies, or governments in some fashion. The *New York Times* (NYT) and *Wall Street Journal* (WSJ) were selected because they are national, prestigious newspapers. NYT is generally considered a comprehensive and reliable newspaper indicative of national media coverage (Chermak & Gruenewald, 2006; Shoemaker & Cohen, 2006). WSJ is a national newspaper known for financial and business related news coverage, making it an ideal paper to use for analyzing financial crimes. The inclusion of two nationally recognized papers with sophisticated readership often thought to be ideologically opposed guards against potential bias toward coverage provided by either newspaper on its own. Each of the papers carries different types of stories, and WSJ in particular is known for financial coverage related to stocks and corporate governance that their readership is interested in, which has implications for the way financial crime stories are covered (Levi, 2006). These papers are used frequently in crime news studies, particularly those focused on business-related crimes (Cavender & Mulcahy, 1998; Wright *et al.*, 1995).

A fairly expansive definition of what constitutes a crime article was used to be consistent with prior research, including stories from all jurisdiction levels, specific crime incident stories, stories discussing crime policies, or other broad stories about the topic (Chermak, 1995; Graber, 1980). One notable difference from much of the prior crime news research is the inclusion of noncriminal stories. The goal of this research is to understand how the media portrays these crimes, and product counterfeiting and financial crimes are often handled by government regulatory agencies, not the criminal justice system.

We conducted a content-specific search in the *Factiva* newspaper database for articles in the two newspapers. Articles from 2000 to 2009 were selected to obtain a broad and relatively recent representation and avoid potential bias from only selecting a limited time frame. Variations of the term counterfeit were searched, including “counterfeit,” “counterfeiting,” “counterfeiter,” “counterfeiters,” “counterfeits,” and “counterfeited,” resulting in a total of 1985 articles containing at least one of these terms. To provide the comparison financial crime samples, the terms “corporate fraud” and “tax fraud” were also searched using the same criteria. A total of 569 articles mentioned “corporate fraud” and 644 articles contained the term “tax fraud.”

Several criteria were established to avoid the inclusion of irrelevant material. First, articles mentioning the crime in only one sentence were excluded. The brief mention of the crime in an article compared to other topics indicated the article did not pertain to it as a



primary topic, and would not promote meaningful analysis if included. Second, and related, the articles had to contain material directly relevant the crime. Those only tangentially related were eliminated. This included articles focused on another type of crime or policy that only briefly mention the crime of focus. Third, only actual news articles were included. Opinion articles, editorials, letters to the editor, question and answer sections, transcripts of official statements, and similar non-news story articles were eliminated. Fourth, in regards to counterfeiting articles, only articles pertaining to product counterfeiting of a specific product were included. Articles about currency, documentation, and identification counterfeiting are not the focus of the present study.

After applying these criteria, a universe of 423 product counterfeiting articles, 399 corporate fraud articles, and 315 tax fraud articles remained. This universe of relevant articles was subject to further sampling. Due to the use of purposive sampling, the size of a final sample is important both for generalization to the entire universe of cases and ensuring the sample is able to adequately answer the research question(s) (Krippendorff, 2004). To compare the product counterfeiting and financial crime articles, a 20% random sample of the product counterfeiting articles was selected using a random-number generator, resulting in a sample of  $n = 85$  articles. In order to have the same number of articles in each crime type cluster, two  $n = 85$  random samples were also selected from each of the financial crime comparative groups. This resulted in a total sample of  $n = 255$  articles, which can be considered an adequate representation of the universe of relevant articles, and contains cases largely similar to those not included in the sample. This sample is useful due to the lack of research on the subject, making this exploratory study valuable for generating future hypotheses (Riffe, Lacy, & Fico, 1998).

### *Coding and analysis*

We analyzed the articles using content analysis, searching for common themes. Content analysis is “any technique for making inferences by systematically and objectively identifying special characteristics of messages” (Holsti, 1968, p. 608). Variables included the primary sources in the article and what they are used to say, the story type, the number of times a key term was found in the article, and the length of the relevant section of the article. By story type, we refer to the article being centered on a specific criminal incident, a legal or policy related issue (including lawsuits), or a general descriptive focus. The sources are cited within the text of the article in order to demonstrate the origin and legitimacy of the information being provided to readers. Since more than one source is typical for each news article, the number of total sources is greater than the total number of articles. Only the three most frequent sources used in the article were recorded, which is consistent with previous research examining sources (Chermak, 1995). The most frequently appearing sources were determined through a word count of the sections of each article attributed to that particular source.

Coding was done both quantitatively using numeric codes and by recording detailed descriptions of the categories in order to allow for the use of multiple analytical approaches. An initial coding scheme was adapted from prior literature on crime and the media (Chermak, 1995; Graber, 1980), with the coding categories being adapted as we coded each article. This open coding process allowed for interpretations of the coding categories to constantly be compared and refined in the search for patterns and contradictions to those patterns. Loosely held conclusions based on the data were continuously altered using an inductive analytical process designed to uncover and correctly categorize key themes (Charmaz & Bryant, 2010; Katz, 1982; Rapley, 2010).

In this way, we analyzed the data using the principles of grounded theory (Corbin & Strauss, 1990; Strauss & Corbin, 1990), with conclusions being inductively drawn through a collective interpretation of the data. Themes were developed through the identification of repeat patterns of coding categories and variable attributes in the data, which assisted in uncovering the underlying meanings behind the use of particular sources in the sampled articles (Abrahamson, 1983). Developing inductive categories allowed for these categories to be grounded to the data, which helped to link the data to theory and prior research (Berg, 2007). Specific examples from the data are presented as quotations in the analysis to illustrate the connections between the content and the coded variables. Descriptive statistics are primarily used to demonstrate the proportions and frequencies of the appearance of each coded variable in the articles.

We used MAXQDA qualitative data-analysis software as a tool to help conduct the content analysis. The program allowed for better organization, systematic text analysis of the data, and coding within multiple categories. Once the articles were coded, we were able to use the program to retrieve the data by category, view memos created during the coding process, create tables of coded segments of articles, develop variables from the codes, and develop basic code frequencies. These features helped organize the large amount of data produced and increase the rigor of the coding and analytic process.

After coding the variables, tables were created to analyze the similarities and differences in types of sources used in each crime type. These tables separated the stories according to the type of article, illustrating all the coded segments of each article pertaining to that story and source. Using these tables, we analyzed both the frequency of sources cited in each crime type and how these sources were used in context of the article. We focused specifically on comparing similar sources in the different crime types to find patterns in how they are utilized to portray the crime to the reader, which helped to better understand common themes (Berg, 2007). By systematically coding and analyzing similarly coded segments of data, a close connection to the original articles is maintained, and a more complete examination was accomplished.

## Findings

The findings are presented in two sections. First, we discuss the descriptive statistics of the sample. Second, we examine the typical sources found in the stories by crime type, including differences in what the source categories are used to say within the context of the articles.

### *Descriptive statistics*

The descriptive statistics in Table 1 illustrate the distribution of the sample data. More articles come from the *NYT* than the *WSJ* for total articles, product counterfeiting, and tax fraud cases, while the *WSJ* contains more cases for corporate fraud articles. This makes sense given the *WSJ* focus on stock prices and corporate governance. While the article distribution is relatively evenly divided for other crime types, over two-thirds of the articles for tax fraud cases come from the *NYT*. This was surprising given the focus on financial issues in *WSJ*, and may be a reflection of ideological positions opposed to government taxation that is reflected in a lack of tax fraud coverage, or perhaps simply an artifact of sampling. Different article lengths are another interesting finding, as corporate fraud articles on average are over 200 words longer than product counterfeiting or tax fraud articles. Corporate fraud articles in the sample are on average over 300 words longer than tax fraud articles.



Table 1. Descriptive statistics of articles by crime type ( $n = 85$  for each type).

Variable	Total	Product counterfeiting	Corporate fraud	Tax fraud
Story type				
Descriptive	.32 (.47)	.46 (.50)	.31 (.46)	.20 (.40)
Incident	.42 (.49)	.18 (.38)	.44 (.50)	.64 (.48)
Policy/legal	.26 (.44)	.36 (.48)	.26 (.44)	.16 (.37)
Newspaper				
<i>Wall Street Journal</i>	.43 (.50)	.46 (.50)	.53 (.50)	.31 (.46)
<i>New York Times</i>	.57 (.50)	.54 (.50)	.47 (.50)	.69 (.46)
Story length (words)	868.58 (557.34)	803.79 (511.23)	1054.41 (681.20)	747.53 (399.86)
Search term <sup>a</sup>	2.24 (2.42)	4.04 (3.42)	1.28 (0.80)	1.40 (0.69)
Fraud <sup>b</sup>	2.82 (3.63)	.36 (1.35)	5.14 (4.36)	2.94 (2.71)
Crime <sup>c</sup>	1.69 (2.75)	1.00 (2.22)	2.52 (3.57)	1.56 (1.98)

Note: Mean of variables for each crime type with standard deviation (in parentheses).

<sup>a</sup>Variable represents the number of times one of the term search terms appears in each article. The counterfeit and financial crime term variables indicate the same representation.

<sup>b</sup>Variable represents average number of times "fraud" or related terms appears in the articles.

<sup>c</sup>Variable represents average number of times "crime" or related terms appears in the articles.

In regards to the occurrence of relevant terms in the articles for each crime type, the key search term, "fraud," and "crime" were all counted through a text analysis of all the articles. Counterfeit search terms occur in the articles over two times as often as those for the financial crimes. The most likely reason for this is the inclusion of more search term variations in the counterfeit search as opposed to the financial crimes, and the inclusion of two words in the search for the latter crimes. The term "fraud" occurs more often in the financial crime articles than product counterfeiting, which is again at least partially attributed to "fraud" being present in the main search term. However, the vast disparity in the use of "fraud" to describe the crime is notable, as "fraud" is mentioned 14.3 times more often in corporate fraud articles and 8.2 times in tax fraud articles. Perhaps less predictable is the finding that corporate fraud articles use the term "fraud" more often than tax fraud articles. On average, corporate fraud articles use the word "fraud" 1.8 times more than tax-fraud stories. The number of times the terms "crime" or "criminal" appear in each article was also recorded. Product counterfeiting articles in the sample are the least likely to mention "crime." On average, corporate fraud and tax fraud articles referenced "crime" 2.5 times and 1.6 times more often than product counterfeit articles, respectively. Corporate fraud articles mentioned "crime" 1.6 times more often than tax fraud articles.

When analyzing the total sample of all articles, a fairly even distribution of articles fell under each of the three story types. However, distinct differences between story types can be seen across the three crime types. There are opposing trends between product counterfeiting and financial crime articles for descriptive and policy/legal stories as opposed to incident stories. Just under one-fifth (18%) of product counterfeiting stories are about specific criminal incidents, while the proportion increases to 44% for corporate fraud stories and 64% for tax-fraud stories. This trend reverses for the other story types, as 82% of product counterfeiting stories are descriptive or policy/legal, while 57% and 36% of corporate and tax-fraud stories, respectively, fall under one of those categories. Corporate fraud stories turned out to be the crime most evenly distributed among story type, while tax-fraud stories are most heavily centered on incidents. One reason for these differences might be in the nature of the crimes themselves, as corporate and tax fraud are not likely to be uncovered until a major scandal comes to light. This would make incident stories

Table 2. Primary sources cited in articles according to crime type.

Sources	Total	Product counterfeiting	Corporate fraud	Tax fraud
Criminal justice	29.8	15.6	32.1	40.4
Other government	8.6	9.9	9.3	6.7
Foreign government	2.8	6.8	0.0	1.9
Financial	5.0	0.0	8.4	6.3
Industry	12.0	32.8	1.9	3.4
Legal	13.7	6.3	17.7	16.3
Politician	6.2	5.7	8.4	4.3
Expert	8.5	9.9	9.3	6.3
Suspect	5.7	3.6	7.4	5.8
Other	7.8	9.4	5.6	8.7
	<i>n</i> = 615	<i>n</i> = 192	<i>n</i> = 215	<i>n</i> = 208

Note: *n* = number of sources cited for each type of news article, limited to top three sources in each article.

overrepresented compared to product counterfeiting stories, which are more diverse due to industry awareness of the theft of their products at multiple levels apart from official criminal justice system responses. Alternatively, this finding may also be a product of the search terms we used to develop the sample, as searching for product counterfeiting is likely to produce a wider diversity of views and stories than searching for the financial crime terms, which are pre-defined as crimes in and of themselves.

The sources cited in the articles are presented in Table 2. In analyzing the frequency of sources used in the articles, several distinct patterns emerge. First, criminal justice sources are overrepresented compared to other sources. Tax fraud articles cite criminal justice sources more often than product counterfeiting or corporate fraud articles. Over two-fifths (40.4%) of sources cited in tax fraud articles are from criminal justice as opposed to only 15.6% for product counterfeiting stories. A second trend rests on the difference between the most prominent sources in product counterfeiting and financial crime articles. Product counterfeiting articles cite industry sources in nearly one-third (32.8%) of articles, consisting of businesses or industry organizations. Financial crime articles cite these sources less than 5% of the time. Conversely, financial crime articles tend to utilize legal sources, such as defense attorneys, other law firms, or former prosecutors commenting on a specific crime. Legal sources represent 17.7 and 16.3% of corporate and tax fraud sources, respectively, while accounting for 6.3% of product counterfeiting article sources.

Several other differences can be found in the use of sources between product counterfeiting and financial crime stories. Financial crime stories feature financial sources, including investment and commercial banks, insurance and accounting firms, stock analysts, rating agencies, and stockbrokers, while product counterfeiting articles do not utilize these sources. This difference makes sense considering the nature of financial crimes as opposed to product counterfeiting, especially considering the focus of product counterfeiting is on physical goods and not counterfeiting of currency, bank checks, or securities. In addition, counterfeiting articles are more likely to feature foreign governments as sources than financial crime articles. While 6.8% of sources for product counterfeiting articles came from foreign sources, only 1.9% of tax fraud articles feature these sources. None of the corporate fraud articles include foreign sources. This is largely a reflection of the inclusion criteria for each crime type, which is restricted to criminal activity affecting the United States in some way. Product counterfeiting consists largely of a transnational trade involving the fraudulent production and distribution of goods made

by US companies in other countries, making it more advantageous for reporters to use those in other countries as sources. It is possible that other types of financial crime, such as money laundering or identity theft, would more prominently feature foreign governments as sources in news stories, but this question is beyond the scope of this study.

### *Sources by crime type*

This section will discuss the qualitative findings of the analysis, focusing on the similarities and differences in how sources are used for each of the three crime types. The most prominently featured source categories are highlighted. In order to remain focused on general themes as opposed to the specifics of individual cases, names of persons and companies have been removed, but the paper, date, and title of each article are displayed for the purposes of transparency.

### **Product counterfeiting stories**

Product counterfeiting stories typically feature industry (32.8%) and criminal justice (15.6%) sources, focusing on a wide range of topics from certain types of counterfeiting, impacts on industries, companies, and consumers, official responses to counterfeiting, and potential solutions to the problem. The greater diversity of sources, particularly the high number of industry sources compared to the financial crime stories, partially results from the lower number of incident stories represented among the product counterfeiting articles. Product counterfeiting stories also made frequent use of experts and other government sources (trade representatives, US officials, regulatory agencies, etc.), although not to the same degree. Table 3 illustrates the use of the most prominent sources in product counterfeiting stories.

Industry sources are featured 60 times in 46 articles. They are used for a variety of purposes, such as commentary on the impacts of product counterfeiting, identification of counterfeit products, collaborative efforts between organizations and agencies, lawsuits between companies, description of the product counterfeiting involved, or other actions taken to address counterfeiting. Sources used to comment on the impacts of product counterfeiting (10.3%) are framed in general terms, or in terms of the specific impact on the company itself:

Obviously, our key competitor is counterfeit. (*WSJ*, 11/13/06, (*company*) *Aims to Foil Piracy in China with Cheap DVDs*)

Advanced technology and global manufacturing outlets have made fake drugs a big and illicit business that is literally poisoning patients. (*NYT*, 03/30/08, *The Drug Scare that Exposed a World of Hurt*)

These examples frame product counterfeiting in terms of competition, the amount of money spent on fighting product counterfeiting, and the money lost to counterfeit products. Sources point to the enterprise involved with the counterfeit trade, both in terms of lost tax revenue and harm to consumers.

Industry sources also discuss how those in the industry identified counterfeit products (13.1%):

Paddlefish caviar has a very distinct taste and a slightly muddy flavor . . . If you see cheap caviar you know it's illegal, meaning bootlegged, previously frozen or there's something wrong with it, and people who buy it are interested in only one thing: price. (*NYT*, 02/27/02, *Unraveling a Caviar Mystery*)

Table 3. Use of prominent sources in product counterfeiting stories.

Use of source information <sup>a</sup>	Industry (60 in 46) <sup>b</sup>	Criminal justice (30 in 27)	Expert (20 in 15)	Other government (19 in 17)
Impact of product counterfeiting	10.3	3.2	15.2	8.9
Outline of arrests/charges	0.0	24.2	3.0	0.0
Policy statements	8.4	6.5	18.2	28.9
Application of US laws in other countries	2.8	0.0	6.1	22.2
Description/explanation for product counterfeiting	11.2	3.2	18.2	11.1
Identification/investigation of counterfeit goods	13.1	14.5	15.2	2.2
Actions to address product counterfeiting	14.0	8.1	6.1	11.1
Frustrations of addressing product counterfeiting	3.7	0.0	6.1	0.0
Product counterfeiting methods	6.5	14.5	6.1	6.7
Commentary on lawsuit	12.2	8.1	3.0	0.0
Collaborative efforts between organizations	11.2	3.2	0.0	4.4
Seizure of counterfeit goods	2.8	11.3	0.0	0.0
Other	3.8	3.2	3.0	4.4
	<i>n</i> = 107	<i>n</i> = 62	<i>n</i> = 33	<i>n</i> = 45

<sup>a</sup>Numbers given as percentages of each use of the different sources. Some sources are used to convey more than one piece of information or serve multiple descriptive purposes within the article, and are counted more than once under each relevant "use of source" category. Therefore, percentages do not correspond to actual number of sources, but rather correspond to what the sources are used to say. Percentages may not equal 100% due to rounding.

<sup>b</sup>Displays the number of times source type is cited, followed by number of articles in which the source is cited.

Vast differences are seen across counterfeit products and the difficulty of uncovering frauds. Other industry sources are used to illustrate the actions taken by the companies themselves to address product counterfeiting (14.0%) or lawsuits filed by companies against other businesses (12.2%):

(The company) spends about \$500,000 a month fighting counterfeits, most of which originate in China. The company collects the fake products and tracks the source, and then brings action in China to shut down illegal producers. (*WSJ*, 08/24/09, *Coming Home: Appliance Maker Drops China to Produce in Texas*)

These sources frame the responses to product counterfeiting in terms of actions by the companies. The companies describe wide crackdowns on piracy, lawsuits against producers, smugglers, retailers, and wholesalers, and the enhancement of anti-counterfeit initiatives. Each of these sources display possible actions against product counterfeiting by impacted companies. Actions are also framed in terms of the efforts taken to work with other companies, agencies, or foreign governments to address product counterfeiting (11.2%):

In the first half of 2001, the most recent period for which national figures are available, 1,257,796 pirated CD's were seized by law enforcement officials with the help of the

Recording Industry Association of America's antipiracy unit. (*NYT*, 02/20/02, *Police Seize Cache of Thousands of Counterfeit CD's and Videos*)

These sources illustrate the importance of collaborative partnerships between industry and government, official social control responses, and the need by companies for law enforcement to take the crime seriously.

As the most prominent sources for product counterfeiting stories, industry sources are widely diverse in how they are used, but are generally framed in terms of impacts and responses. Other sources are much more concentrated in how they are used in the articles, including criminal justice sources. Criminal justice sources overwhelm the incident stories on product counterfeiting, consisting of two-thirds of the total sources in those stories. Criminal justice sources are featured 30 times in 27 articles, and comment on investigations, charges, seizures of counterfeit goods, and arrests of suspects.

The most frequent use of criminal justice sources is to comment on specific arrests or the charges in a product counterfeiting case (24.2%):

The police have arrested 28 men . . . accused of selling untaxed and sometimes counterfeit-label cigarettes to store owners in the Bronx, Yonkers and Manhattan, the police said yesterday. (*NYT*, 09/02/05, *Metro Briefing New York: Bronx: 28 Charged in Cigarette Smuggling*)

These sources name specific details about the incident as provided by criminal justice sources, particularly police or prosecutors, including the characteristics of the product counterfeiting scheme and those arrested. Criminal justice sources are also used to describe the counterfeit goods involved in an incident, focusing on the outcomes of seizures (11.3%):

Piracy busts are a regular occurrence these days, with the software industry putting annual losses at about \$12 billion. (*WSJ*, 04/22/02 (*company*) *Reports Big Loss in Sales from Piracy Ring*)

Descriptions of these seizures vary, but are used to provide details about specific police actions and what was observed during the bust. Finally, criminal justice sources are cited to illustrate the nature and methods of product counterfeiting schemes and the difficulties of investigating the crime (29.0%):

There's too much money to be made, too much incentive to circumvent the guidelines that have been set up to preserve the sturgeon. (*NYT*, 02/27/02, *Unraveling a Caviar Mystery*)

These sources demonstrate the uphill battle for officials, working against tremendous economic incentives and requiring cooperation with other entities to address the problem. In this way, the complications of this unique crime are brought out in the way these sources are used to describe product counterfeiting.

Other government sources, experts, foreign governments, and legal sources are all cited in product counterfeiting stories, but to a much lesser extent. Experts are primarily used to discuss specific policy implications (18.2%), provide analysis or description of product counterfeiting (18.2%), or discuss the identification/investigation (15.2%), and impact of product counterfeiting (15.2%). Other government sources are used to comment on actions taken to address product counterfeiting (11.1%), the international application of US laws (22.2%), policies related to product counterfeiting (28.9%), and descriptions of product

counterfeiting (11.1%). Since they are not prominent compared to industry and criminal justice sources, they are not discussed in greater detail here.

### Corporate fraud stories

While there are some similarities between corporate fraud stories and product counterfeiting stories, the differences are notable. Like product counterfeiting stories, criminal justice sources are featured prominently. However, criminal justice officials are the most cited sources in corporate fraud stories, consisting of more than twice the number of overall sources as product counterfeiting articles. These sources primarily discuss criminal actions by specific suspects or companies rather than the vague allegations or descriptions found in product counterfeiting stories. The second most frequently cited source in corporate fraud stories consists of other legal sources. This finding is the same as for tax-fraud stories. This use of sources is perhaps the sharpest contrast from product counterfeiting stories, where industry sources are most prominent. Industry sources are cited in 1.9 and 3.4% of corporate and tax-fraud stories, although financial sources make up 8.4 and 6.3% of these stories, respectively. Table 4 illustrates the use of sources in corporate fraud stories. The criminal justice and legal sources cited in corporate fraud stories will each be addressed in greater detail.

Criminal justice sources (32.1%) are cited 70 times in 52 articles, and are used to comment on official court proceedings, sanctions, and policies related to corporate fraud cases, as well as to provide descriptions of the fraud itself. Like product counterfeiting and tax-fraud stories, criminal justice sources are used in corporate fraud stories in similar ways as other types of crime stories. First, many sources address corporate fraud policy or legal issues (11.9%):

Table 4. Use of prominent sources in corporate fraud stories.

Use of source information <sup>a</sup>	Criminal justice (70 in 52) <sup>b</sup>	Legal (36 in 33)	Expert (23 in 19)	Other government (22 in 19)
Outline of court proceedings/sanctions	34.9	57.7	7.5	2.4
Description/explanation for fraud	11.9	5.8	42.5	9.8
Policy statements	11.9	1.9	22.5	46.3
Advocacy for those involved in fraud	1.6	21.2	0.0	0.0
Impact of fraud	4.0	1.9	22.5	9.8
Actions to address fraud	8.7	0.0	2.5	12.2
Outline of arrests/charges	7.9	1.9	0.0	2.4
Identification/investigation of fraud	3.2	0.0	2.5	7.3
Fraudulent methods	7.1	0.0	0.0	2.4
Other	8.8	9.6	0.0	7.3
	<i>n</i> = 126	<i>n</i> = 52	<i>n</i> = 40	<i>n</i> = 41

<sup>a</sup>Numbers given as percentages of each use of the different sources. Some sources are used to convey more than one piece of information or serve multiple descriptive purposes within the article, and are counted more than once under each relevant "use of source" category. Therefore, percentages do not correspond to actual number of sources, but rather correspond to what the sources are used to say. Percentages may not equal 100% due to rounding.

<sup>b</sup>Displays the number of times source type is cited, followed by number of articles in which the source is cited.



"Only by thoroughly preserving the possibility of prosecuting the corporation itself can we be assured of systemic reform of corporate conduct." . . . (Attorney General) emphasized the need to reform the culture of corporate wrongdoing, which he said could become "a web of attitudes and practices that tends to replicate and perpetuate itself beyond the tenure of any individual manager." (*NYT*, 07/26/02, *US Aide Sees Corporate Criminal Cases*)

These sources describe the specific actions taken against those thought to have committed financial crimes against businesses, or businesses themselves thought to be involved in fraudulent activities. Articles often cite indictments or court papers, including elaborate explanations about the origin of the offense, the exact illegal actions taken, and the losses incurred as a result. Official sources outline indictments, what constitutes a crime, the type of fraud involved, and losses incurred by victims. Other criminal justice sources offer explanations and descriptions of the nature of the fraud (11.9%):

. . . the FBI has found in previous corporate-fraud cases that they tended to involve more than one player in an industry. FBI officials began looking into the insurance industry almost a year ago, though they have stepped up their efforts in recent months. They are now considering whether to add more agents to the probe. (*WSJ*, 05/05/05, *(firm) Investigation Sparks FBI Probe of Insurance Firms*)

These sources are largely from police and prosecutors, framing a specific corporate fraud case in the terms necessary to achieve a criminal justice-focused outcome. Since corporate fraud cases are usually broad in scope and not limited to any one person, the sources try to elaborate on these complexities and reporters demonstrate this in their writings.

Many of the sources come directly from court proceedings, outlining specific actions by prosecutors and judges in the context of a civil or criminal trial (34.9%):

The government will seek to admit testimony that despite hearing the evidence, (the suspect) allowed the executives to remain and, months later, those same executives committed other improper acts that exposed (the company) to as much as \$1 billion in losses. (*NYT*, 01/26/06, *Big Test Looms for Prosecutors at Enron Trial*)

In addition to these criminal justice sources used in the articles to place corporate fraud in the context of the criminal trial, other sources are cited to discuss how fraud offenders are held accountable by the court system:

In imposing financial penalties, (the judge) ordered that (the defendant) repay about \$97 million to (the company)—the bulk of the money he was convicted of stealing—and pay an additional \$70 million in fines. (Another defendant) was ordered to repay about \$38 million, plus \$35 million in fines. He had already repaid \$12.5 million to (victim company). (*WSJ*, 09/20/05, *(company) Figures Will Be Jailed at Least 7 Years: Judge Orders (executives) to Also Pay Back \$240 Million*)

Sources describing sanctions tend to focus on trial verdicts and sentences issued to offenders depicting the importance of the use of sanctions as well as their reaction to the outcome of cases. These courtroom proceedings dominate criminal justice sources in both corporate fraud and tax-fraud stories.

The second more frequently cited source for corporate fraud cases provides a different perspective on these criminal cases. Legal sources (17.7%) are utilized in the articles to comment on specific incidents and corporate fraud criminal cases generally. They constitute 36 sources from 33 articles. Legal sources consist of defense attorneys in specific

cases and other law firms and lawyers commenting on the fraud discussed in the article. These do not include politicians, legislatures, or legal experts, which were coded in different categories. Legal sources describe court proceedings and sanctions for corporate fraud (57.7%) or offer a defense for the actions of corporate fraud suspects (21.2%).

The use of lawyers and law firms representing defendants in corporate fraud stories is common, as these sources are sought out to get viewpoints that differ from those of official sources. From interpreting the details of the fraud to determining appropriate sanctions, defense attorneys provide a sharp contrast to the perspective of criminal justice sources in these articles:

I expect the trial will show that these were issues of misunderstanding of accounting rules . . . I'm confident that when a fair-minded jury hears what happened, they will agree that no crime was committed here. (*WSJ*, 06/18/07, *Options Trial Could Set Path of Future Cases: Former CEO of (company) is First to Face a Jury in Backdating Scandal*)

Instead of portraying the actions of the suspect as fraud, this legal source labels them as a "misunderstanding of accounting rules." Some profess their contempt for government action against their clients, strongly disagreeing with either a conviction or sanctions. Other legal sources provide more balanced descriptions of corporate fraud cases than either criminal justice sources or defense attorneys due to their distance from the case being discussed. They provide an analysis of corporate fraud generally, or discussion of the decisions made by the courtroom members in a trial:

The executives at greatest risk for prosecution in corporate-fraud cases, defense lawyers say, tend to be chief financial officers . . . "The problem with being a CFO if you're perpetrating a fraud is that your fingerprints tend to be everywhere" . . . Going after CEOs, "takes a kind of unequivocal evidence that can be very hard to unearth." (*WSJ*, 02/12/02, *Top (company) Officials May Avoid Criminal Charges*)

Not surprisingly, criminal justice sources explain the process and significance of corporate fraud trials in the landscape of prosecutions against fraud offenders more objectively than defense attorneys involved in the cases.

Other sources are used much less frequently than criminal justice or legal sources. Expert sources in corporate fraud stories are used similarly to product counterfeiting articles, discussing the impact of corporate fraud (22.5%), providing explanations and descriptions of how the fraud occurs (42.5%), and examining policy and legal issues related to the crime (22.5%). Other government sources also discuss policy issues (46.3%) and actions taken to address corporate fraud (12.2%). The remaining sources include financial and industry sources, politicians, suspects, citizens, and other sources.

### ***Tax-fraud stories***

Similarly to corporate fraud stories, tax-fraud stories prominently feature criminal justice and legal stories. Government sources account for more than half (51.4%) of all the sources for tax fraud articles when criminal justice, other government, and politicians are totaled. This finding makes sense, considering tax fraud involves defrauding the government and taxpayers of legitimate tax revenue. Criminal justice officials make up 2.6 times the number of sources in tax-fraud stories than in product counterfeiting stories. Government sources should be expected to dominate the coverage of tax-related crimes, as representatives for the victims of the fraud are the logical place for reporters to seek information for their stories. Criminal justice sources by themselves make up 40.4% of sources cited in tax-fraud

Table 5. Use of prominent sources in tax-fraud stories.

Use of source information <sup>a</sup>	Criminal justice (81 in 66) <sup>b</sup>	Legal (35 in 28)
Outline of court proceedings/sanctions	31.2	41.5
Advocacy for those involved in fraud	0.0	22.0
Description/explanation for fraud	15.3	2.4
Policy statements	3.2	14.6
Fraudulent methods	14.7	2.4
Outline of arrests/charges	12.1	2.4
Frustrations of addressing fraud	1.3	9.8
Identification/investigation of fraud	9.6	0.0
Other	12.8	4.8
	<i>n</i> = 157	<i>n</i> = 41

<sup>a</sup>Numbers given as percentages of each use of the different sources. Some sources are used to convey more than one piece of information or serve multiple descriptive purposes within the article, and are counted more than once under each relevant “use of source” category. Therefore, percentages do not correspond to actual number of sources, but rather correspond to what the sources are used to say. Percentages may not equal 100% due to rounding.

<sup>b</sup>Displays the number of times source type is cited, followed by number of articles in which the source is cited.

stories and are cited 81 times in 66 articles. They are used to comment on investigations, charges and indictments, court proceedings, sanctions, methods used to commit the fraud, and general descriptions of the crime itself. The use of prominent sources in tax fraud stories is found in Table 5.

Many criminal justice sources outline the specific charges in the tax-fraud indictment (12.1%), the investigation into the scheme (9.6%), the methods used by the suspects to commit the fraud (14.7%), and general descriptions of the nature of the crime (15.3%):

A group of men . . . were indicted today on federal charges that they ran a criminal organization that defrauded people, banks, insurance companies and the government of millions of dollars over several years. The 14 men . . . were charged in a 68-count indictment with a variety of offenses, including racketeering, money laundering and credit card and tax fraud . . . (*NYT*, 03/30/01, *14 Hasidim Are Indicted on Charges They Ran a Fraud Scheme*)

These sources describe the specific actions taken against tax fraud suspects, their alleged crimes, and the number of people involved. The charges described by these sources are usually not restricted to tax fraud, but also include racketeering, mail fraud, wire fraud, credit card fraud, and money laundering. These sources describe schemes involving the distribution of illegal tax shelters, criminal organizations, and insider trading. Articles reference court documents and quotes from investigators and prosecutors on investigations into tax fraud schemes. Since corporate fraud cases are usually broad in scope and not limited to any one person, the sources try to elaborate on these complexities, and reporters demonstrate this in their writings.

Criminal justice sources in tax-fraud stories are also used in the articles to discuss both the outcomes of tax fraud trials and sanctions issued to defendants convicted of tax fraud (31.2%):

A California woman who earned more than \$8 million selling bogus “pure trusts” to thousands of people seeking to escape income taxes has been convicted along with six associates of tax fraud. (*NYT*, 05/05/04, *Tax Protester is Convicted*)

These sources are used to describe the verdicts and sanctions issued in tax-fraud stories, which tend to describe specific tax fraud incidents. Finally, criminal justice sources are used to put the impact of tax fraud into perspective by providing estimates of the losses to governments resulting from these schemes. Losses are both described in relation to the impact and general descriptions of the fraud. Tax fraud is depicted in terms of its seriousness, taxpayer losses, and relations to other crimes:

From 1995 to 1999 . . . he failed to pay taxes on at least \$450 million in income—a figure almost as large as the \$550 million Congress gives the Internal Revenue Service each year to conduct all criminal tax investigations. “Average Americans deserve to feel confident that when they pay their taxes, neighbors and competitors are doing the same . . .” (*NYT*, 03/06/05, *A Tax Net That Catches Only Minnows*)

They illustrate the extent of taxpayer losses from tax fraud and describe the breach of trust citizens feel when others get away with paying their fair share in taxes.

The second most frequently cited source for tax-fraud cases provided similar information in articles as legal sources for corporate-fraud stories. Legal sources consist of 16.3% of tax-fraud stories, and are cited 35 times in 28 articles. They are utilized to comment on specific incidents and tax-fraud criminal cases generally. Like corporate fraud stories, legal sources consist of defense attorneys advocating their clients’ interests in specific cases (22.0%):

. . . far from being a crook, (the defendant) had tried to “do the right thing” by cooperating with the Internal Revenue Service and repaying the government about \$1 million in back taxes and interest. And he said that about 95 percent of the deductions and 99 percent of the income made by (the defendant’s) companies were uncontested in the case. “Like the old Ivory soap commercial, he’s 99.9 percent pure.” (*NYT*, 06/16/00, *(suspect) Defense Lawyers Demand Mistrial*)

These attorney often express their feelings about tax fraud and the conduct of government officials, painting the defendant in the best light possible in order to support their case, as evidenced in statements like “he’s 99.9 percent pure.” Others present information similar to what defense attorneys are likely to say about other crime types, including criticisms of the government for exerting pressure on companies to assist in investigations and the relative ease of securing a grand jury indictment.

Like corporate fraud stories, other legal sources offer descriptions of court proceedings (41.5%), attempting to put them in perspective:

The question in the trial is whether or not the government can prove beyond a reasonable doubt that these defendants knew that, in reality, these transactions had no economic substance and were never going to have any economic substance, notwithstanding whatever the theoretical potential of the transactions might have been. (*WSJ*, 10/12/07, *(company) Trial, Pared in Scope, Nears After Stormy Prologue*)

One source is cited to discuss the implications for an accounting firm avoiding a criminal indictment, while another explained the burden of proof for the prosecutor to prove the involvement of one of the defendants in a tax fraud case. Each of these legal sources, whether they are defense attorneys or unrelated lawyers offering their insight, are used in stories to offer contrasting opinions to criminal justice sources.

The remaining source categories each account for less than 10% of the total sources for tax fraud articles. Each of the other source categories is represented, resulting in tax fraud articles having the most diverse distribution of secondary sources of all three crime types.

## Discussion

In this study, we found substantial variation in the use of sources in product counterfeiting and financial crime stories. Product counterfeiting stories rely on industry and official sources describing how product counterfeiting affects their industry, while tax and corporate fraud stories center on specific incidents and official social control responses by the government. While the exact reasons why reporters chose sources to represent these crimes in the way they did is beyond the scope of this study, the implications of the differences between these crimes are interesting and worth elaboration.

Many features of product counterfeiting stories are strikingly dissimilar from financial crime stories. While sources are similar for both corporate fraud and tax-fraud stories, while product counterfeiting stories feature sources differently, both in proportion and substance. One reason for the disparity in the use of official stories is the differences in the types of stories featured between financial crimes and product counterfeiting articles. Financial crime articles describe criminal incidents to a much greater extent than product counterfeiting articles, which can at least partially explain their more frequent use of criminal justice sources. The finding that financial crime articles feature official sources to a greater extent than product counterfeiting articles makes product counterfeiting a unique crime compared to others previously examined in the literature.

However, the heavy reliance on official sources in all three crime types is consistent with prior studies examining the use of sources in crime articles (Brown *et al.*, 1987; Chermak, 1997; Ericson *et al.*, 1991; Fishman, 1980, 1981; Gans, 1979, 2003). Government officials use their position as authorities to offer their insight into the impact of emerging social problems on society (Chermak, 1997; Gans, 2003; Nichols, 1997). This is especially true for product counterfeiting, where politicians, law enforcement, prosecutors, and regulatory agencies, and other high-ranking officials who are working with crimes that tend to be largely removed from the view of the general public utilize the media to spread awareness of their organization's activities (McCombs & Shaw, 1972). The inclusion of legal and industry sources also makes intuitive sense in this context given their stake in the framing of the crimes involved. Industry sources in counterfeiting articles are often the companies victimized by product counterfeiting and organizations representing business interests. These industry sources have a financial stake in how product counterfeiting is represented and rely on their reputations in order to further their businesses. Legal sources, particularly defense attorneys, are driven by the desire to shape the perspectives of the public in specific criminal cases in hopes of gaining favorable reactions to their clients. Legal sources are able to provide information about financial crime cases that may come from a different perspective than official sources, making information they provide valuable for inclusion in news articles. Criminal justice, industry, and legal sources are all close to events as they are occur, allowing reporters to get first-hand information to speed up the news production process (Chibnall, 1977; Fishman, 1980; Tuchman, 1978).

Consistent with both product counterfeiting and financial crime articles, individual victims are the least likely sources to be included in the articles. Less than 1% of all sources for each crime type are crime victims. Two possible reasons for this seem the most probable. The first reason may be the lack of willingness for individual crime victims to talk

about their experiences to news reporters. The second deals with the routine activities of news reporters, where individual victims are not one of their regular sources because no pre-existing or sustaining relationship is established through past stories in order to contribute to the production of future stories. While companies are more often victims of product counterfeiting or financial crimes through the counterfeiting of specific products or the defrauding of the company itself, these are often not defined as such the way an individual victim would be, and thus are included as industry or financial sources as opposed to victims.

While product counterfeiting articles are largely diverse and focus on the losses to businesses from product counterfeiting, financial crime articles tend to focus on a relatively small number of high-profile cases. These cases received a vast amount of coverage compared to other similar financial crimes. This finding is consistent with the observations of other scholars who have noted the lack of attention most routine financial crimes receive in the media (Levi, 2006; Nichols, 1997). However, when a financial crime becomes scandalized, it receives more extensive media coverage that uses symbolic political language to support an ongoing narrative of scandal that shapes how readers make sense of the crime (Cavender *et al.*, 2010). "Fraud stories are hard to make televisual and both they and print stories often get 'spiked' (i.e., not used) because they are 'not news,' though once any scandal breaks, reporters feverishly race to find a fresh angle on it, though some may merely report official versions" (Levi, 2008, p. 371). Crimes of such a large magnitude transcend the routine and normal to become celebrated cases that cannot be easily ignored, resulting in extensive media coverage due to their sensationalized nature (Levi, 2001, 2006; Tombs & Whyte, 2001). This is certainly the case with several notable corporate and tax fraud cases occurring during the 2000s that are discussed in the sampled articles, including Enron, WorldCom, Tyco, HealthSouth, and the Pirro tax fraud trial. These constructions support a sense of spectacle surrounding the scandal and function to support the degradation of the individual and legislative action, even though these are usually symbolic efforts that take away from critical analyses of systemic problems (Cavender *et al.*, 2010; Sullivan, 2010). This is representative of a shift toward greater routinization of scandal in the media to enhance corporate profits (Gans, 1979, 2003; McChesney, 1987; Molotch & Lester, 1974; Nichols, 1997).

Consistent with prior studies on crime in the news media (Chermak, 1997; Kollmeyer, 2004), we believe the news functions to further legitimize elite or previously accepted interests, policies, and enforcement strategies (Gans, 1979, 2003; Nichols, 1997; Nichols & Nolan, 2004). The socially constructed reality of crime developed in the news stories generally supported conventional ways of thinking about businesses and crime. The response to both product counterfeiting and financial crimes largely consists of the most widely accepted criminal justice responses such as crackdowns and lengthy sentences, that are used to target street crimes generally thought to be damaging to middle- and upper-class interests. Product counterfeiting crimes may actually receive enhanced coverage in these respects due to the desire of companies to have their interests represented. On the other hand, the insights of other sources, such as academics, suspects, and individual victims, are lacking by comparison. News coverage prominently represents the interests of investors, corporations, and government, rarely consulting the general workforce and average individuals as sources (Gans, 2003; Kollmeyer, 2004). Large-scale corporate frauds with multiple victims from all walks of life may be the exception to this observation, as experts are used to comment on sweeping calls for corporate reform, as was the case with coverage of the Sarbanes-Oxley Act of 2002. The reliance on these official, legal,



and business sources in addition to well-known experts at the expense of victims and suspects supports the conclusion that conventional media constructions of these crimes are perpetuated through coverage with similar sources.

## Conclusion

Our study illustrates the utility of examining the use of sources to identify differences in the coverage of similar but unique types of crime in the media. By comparing different types of crime, features of the crimes are brought out that may not have been noticed by examining any one type of crime by itself. While financial crime articles largely follow the same pattern of the use of sources as more traditional street crimes by featuring official sources, industry sources are the most prominently featured sources in product counterfeiting articles. The use of these sources has implications for how news articles on product counterfeiting and financial crimes are constructed in the media, as well as the potential impacts on the general public and policymakers. Future research should examine product counterfeiting and financial crimes in the media using different samples and methods. It should also examine the new production process specific to each of these crime types by ethnographically examining how these stories are produced. Research focusing on the nexus between product counterfeiting or financial crimes and the media will help in furthering the knowledge of how crime news is socially constructed.

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